

June 12, 2009 - The Economy that Jack Built

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Regional economy tied to Congressman Murtha's influence

By Cliff White, PA Business Central

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Johnstown

— It is a familiar circle at the 2009 Showcase for Commerce, and as usual, Rep. John Murtha is at the center of the action.

Late Friday morning — the second and final day of the exposition — top executives of defense industry giants like Boeing, Lockheed-Martin and Raytheon, kept up a steady playful chatter, waiting their turn for Murtha, the event's chief architect, to make a visit to their exhibit.

These companies shelled out several thousand dollars each for their spot at what is normally center ice in the Johnstown War Memorial, and several thousand dollars more on flashy displays and event sponsorships. Many share close relationships with Murtha, who chairs the House Appropriations Defense Subcommittee and therefore has a large say in how and to whom mega-million dollar military contracts are awarded.

With the Obama administration in the midst of refocusing defense spending priorities, competition among these companies for a continued share of the defense contract pie is heating up. In a not-so-subtle suggestion to Murtha and the rest of the crowd at the showcase, Boeing showed up with a fully interactive trailer complete with an in-flight refueling simulator. Boeing is involved in a fierce battle with Northrup Grumman over a \$40 billion contract to manufacture refueling aircraft for the Air Force, and Murtha has been a vocal proponent for splitting the contract between the two rivals to avoid further delays in procurement.

Meanwhile, smaller, regional entities were also out in force at the showcase. Many owe their very existence to Congressman Murtha, who has handed out hundreds of millions of dollars in earmarks during his three decades in office to companies with a strong presence in his district, which coils from the southwest corner of the state through parts of Somerset, Westmoreland, Indiana and Cambria counties.

“Congressman Murtha is a big part of the Windber Medical Center. His support has allowed us to create jobs and conduct vital research,” said Patty Felton, director of the Joyce Murtha Breast Care Center, which was named in honor of the congressman’s wife and is run by the Windber Medical Center, which along with partner Windber Research Institute is an annual recipient of Murtha earmarks.

Dave Herbener, president of KDH Defense Systems, a designer and manufacturer of body armor with 100 employees, has seen his company receive millions in Murtha earmarks since he founded the company in Johnstown in 2003. “[Murtha] takes pride in making sure the troops get the best gear available, and he does everything he can to make sure there’s support in the area for the industry,” Herbener said.

Murtha is an enormous presence at the Showcase for Commerce, an event he has transformed from a small gathering of 12 local businesses to a staple event for the national defense industry, with more than 160 companies attending this year’s event. This year, like every year since the first showcase in 1991, Murtha made a point of visiting every booth at the event.

Like other representatives, Dick Bosserman of Cambria County Association for the Blind and Handicapped (CAB) stood in front of his booth to answer questions and explain items on display.

Bosserman heads an organization with 400 employees and said CAB is one of the twelve original companies who participated in the first Showcase for Commerce 19 years ago.

"I was here in Cambria County when unemployment was at 24 percent," Bosserman said. "Jack Murtha has made this area into what it is today: a profitable place to do business, an economic engine that employs a lot of people."

While Murtha currently wields a great deal of power and continues to assert his influence in Congress, the day will eventually arrive when he will no longer represent the 12th District.

Federal investigations have been launched into two firms with close ties to the congressman — one of which, Kuchera Industries, is based in Windber — and Murtha, who will turn 77 later this month, isn't getting any younger.

As Murtha walked out of the main display area toward the exit, after having completed his rounds, a reporter asked Bosserman if he thought the good times would continue after Murtha left Congress.

"Well, it's a fact that he won't be there forever. I'm hoping that when he does go, there will be enough of us who have gotten established here thanks to him that companies will still want to do business here," Bosserman said. "If that happens, that will really be his lasting legacy."